MARINE TRANSPORTATION SYSTEM REGIONAL DIALOG SESSION

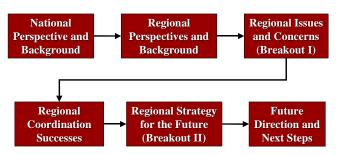
Seattle, WA June 27, 2000



Pacific Northwest Region Hosts Dialog Session

Nearly 100 public and private sector participants gathered at the National Oceanic and Atmospheric Administration's (NOAA) Seattle, WA

facility to hear about and discuss the nation's Marine Transportation System (MTS). This session was designed to help regional groups develop strategies for addressing regional marine transportation issues. Port directors, terminal operators, cargo and passenger vessel operators, shippers, pilots, and representatives from academia, federal, state and local agencies identified, discussed, and proposed strategies about wide-ranging issues affecting marine transportation in the Pacific Northwest. Participants heard reports from national and regional leadership and broke into small groups to identify and clarify regional issues and recommend mechanisms for addressing issues from the regional perspective.



The MTS Dialog Session structure gives participants opportunities to listen and to speak.

Federal Leadership Sets Context for Regional Discussion

After a welcome by host CDR Jim Gardner, NOAA Navigational Manager, Puget Sound, conference sponsors Harry Hutchins, Puget Sound Maritime Committee member and Executive Director of the Puget Sound Steamship Operators, and Liz Wainwright, Executive Director Merchants Exchange of Portland, greeted the group to Seattle, stressing the importance of keeping the Pacific Northwest region competitive in the global economy while considering funding, infrastructure, and environmental concerns. Next, CAPT Sam DeBow, Chief of NOAA's Hydrographic Surveys Division reported on what the federal government and its industry partners are doing at the national level to promote marine transportation system initiatives. CAPT Mark Johnson, USCG, Chief, Office of Water-

way Management, Policy and Planning gave the MTS vision explained how activities at the national and local levels moving forward and that what needed now are

The MTS Vision: "The U.S. Marine Transportation System will be the world's most technologically advanced, safe, secure, efficient, effective, accessible, globally competitive, dynamic and environmentally responsible system for moving goods and people."

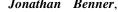
mechanisms that provide communication and coordination at the regional level.



Regional coordination is essential to successful implementation of MTS initiatives

CAPT Johnson covered seven areas addressed in the 1999 MTS Report to Congress:

- Coordination
- **Funding**
- Competitiveness & Mobility
- Improving Awareness
- Information Management & Infrastructure
- Security
- Safety & Environmental Protection





Jonathan Benner, INTERTANKO and MTS National Advisory Council alternate, explained the role and goals of the MTSNAC. Commercial stakeholders make up the council to explore all aspects of the MTS. Public awareness of the value of the MTS is their first priority. They want to create a structure to hear the public's concerns, realizing that what

will carry us through is understanding the importance and criticality of improving the MTS for our economy, safety, and security.

Regional Panel Describes Pacific Northwest Regional Issues

Four panelists, representing different areas in the region and different perspectives on regional concerns, gave their views of the most pressing regional problems. *Craig Hautamaki*, Port of Seattle and representing all Puget Sound ports, emphasized the dependency of Puget Sound's ports on two major railroads (BNSF and CN) which recently announced merger plans. Hautamaki sees this merger as generally positive for the ports but cautions that Puget Sound ports must invest in berthing and handling infrastructure or the railroads may divert the freight volume to other ports based on their efficiency, capacity, value, etc. Puget Sound ports must have capacity, offer high value services, and remain cost competitive.

Glen Vanselow, Pacific Northwest Waterways Association, represents a broad range of users of the Columbia/Snake River System and other Northwest waterways. Vanselow acknowledged that both Puget Sound and the Columbia/Snake River are important to the regional economy and need infrastructure investments. He noted the shift in focus from increasing the population of specific species in general (e.g., salmon) to protecting small indigenous populations of species in the wild. He cited conflicting policies, uncertain science, and competition between economic and environmental interests as critical issues in the region. Vanselow asks "Who are the decision makers and how will they reconcile conflicting goals?"

Pete Beaulieu, Puget Sound Regional Council, challenged the audience to view maritime transportation as a sub-system of the larger national transportation system and to take a "total trip" perspective in which all modes (rail, highway, ship) are important components of freight transportation. He sees the deregulated environment producing a dynamic transportation system characterized by mergers, public/private partnerships, and other relationships. Beaulieu observed that solutions to capacity issues include both operational improvements and capital investments and cautioned to keep a balance between the two. Beaulieu cited the Freight Mobility Round Table and the FAST Corridor Project as examples of regional partnerships that are addressing multimodal freight transportation issues in the region but noted that one of the challenges the marine transportation industry faces is the competition for infrastructure funding in a diverse transportation environment.

Roger Graves, Port of Anchorage, informed the audience that Anchorage is Alaska's regional port and that it serves most of the state's residents. Graves described a \$12.1M dredging project at the Port to deepen the channel, saving over \$1M per year for transportation providers and therefore the state's consumers. Funding for the project is 65% federal and 35% from local funding sources. Graves cited as his greatest challenge getting the Alaska state legislature to understand the importance of port infrastructure and operations to the state's economic well-being and to make the investments needed to maintain and enhance the facility.

Breakout Groups Consider Regional Issues

Participants divided into four groups to review issues identi-



Breakout groups identified issues requiring regional solutions

fied by the regional panel, as well as by participants in preceding MTS outreach sessions. They proceeded to clarify, augment, and prioritize issues of regional significance. Later, they developed regional strategies for

addressing high priority needs. Composition of each breakout group was intentionally diverse to encourage the airing of multiple perspectives on each issue. The groups prepared and prioritized lists of issues that they felt needed to be addressed through regional coordination and cooperation.

Session facilitators organized the "top five" regional issues identified as most needing regional coordination into categories as follows.

After listing issues requiring regional coordination, breakout groups assigned priority to issues by voting for those they felt needed regional coordination most. Each group reported their "top five" regional issues. Facilitators sorted them into major categories as follows:

Coordination

- State influence, regulation, taxation and law enforcement in, on, of and around waterways vis-à-vis MTS
- Share recommendations of Harbor Safety Committees which require federal scope laterally and vertically

Outreach

- Congressional and legislative delegations must be educated by groups such as Harbor Safety Committees
- Create political will through public awareness of MTS

Partnership

- Sustainable government/industry/public partnerships to collaborate on regional waterways system.
- Sustainable federal/state/local/industry/public partnerships and strategies throughout the West Coast/Pacific region for safe, competitive, and efficient marine transportation
- New regional teams of federal, state and local public and private stakeholders should be formed to deal with landside and corridor issues beyond the scope of the Harbor Safety Committee
- Effective partnerships to reach MTS goals

Planning/ Funding

- Strategic, long range funding to meet regional and national requirements
- Consolidated, predictive process for balancing commercial and environmental interests
- Strategic long range funding to meet regional capital investment and O&M needs and federal (unfunded) mandates
- Congress must reduce transportation earmarking unless national interest can be proven (AK does fine; the rest of the region suffers)

- Coordination of long-term planning and funding *Policy/Regulation*
- Define a national policy that benefits all regions equally
- Consistent regulatory umbrella for endangered species/ critical habitat recovery and other environmental issues
- Regulatory requirements harmonized at the federal, state and local levels "one stop shopping" for permits
- Consolidated, predictive regulatory process for balancing commercial, safety, and environmental interests

Technology

- Accurate mapping baseline data for economic development, engineering, and regulatory decisions
- Development/exchange of science-based information/data to direct investment, improve decision making, and optimize the MTS

Regional Success Stories Lay Groundwork for Regional Action

Before addressing the regional issues identified during the first breakout session, participants heard regional success stories from three individuals who reported on partnerships and other cooperative approaches that are working well. *CAPT John Veentjer*, USCG described the Canadian/US Joint Coordinating Group (JCG) which began in 1979 with a cooperative agreement that remains in effect. The JCG manages the Coordinated Vessel Traffic Service (CVTS) through three centers in Seattle, Vancouver, and Tofino and resolves issues of coordination between nations regarding vessel regulations, waterway communication for transportation, and for setting policy and standards. The JCG is currently engaged in two effort, the Port Access Route Study (PARS), and the General Waterways Safety initiative.

Karen Schmidt, Executive Director of Washington's Freight Mobility Strategic Investment Board (FMSIB), described the FMSIB as an independent state agency designed ensure that the state remains competitive by developing and fostering partnerships to improve freight movement state-wide. FMSIB works



with the state legislature to obtain funding for projects throughout the state. Schmidt cited educating Eastern Washington farmers on the benefits to them of improving Western Washington seaports as an example of their statewide efforts. The outreach resulted in obtaining support from legislators in Eastern Washington for port infrastructure improvements.

Lyn McClelland, Western Regional staff, U.S. Maritime Administration (MARAD), reported on the first DOT-sponsored Ferry Conference, held in June 2000 and attended by 185 transportation and government professionals. The U.S. Secretary of Transportation, Maritime, Federal Transit, and Federal Highway Administrators, and Commandant of the US Coast Guard had recognized the need for a conference to encourage the use of ferry systems to move people and goods, relieving congested landside transportation corridors. Through the conference these and other Federal agencies that fund and

regulate ferry systems came together to provide a "one-stop shopping" opportunity for public and private organizations considering starting or expanding ferry services. Current public and private ferry system operators also shared their success stories, as did those who design, fund and build vessels and terminals. The conference served as a first step toward the harmonization of regulations and guidelines within the region that serves the largest number of ferry system customers in the nation.

Breakout Groups Recommend Regional Coordination Strategies

Following presentations about regional successes, participants reconvened in breakout groups to identify how they could work together as regional stakeholders to address high priority

regional interests. Each group considered one or more categories of the high priority regional issues identified during the first breakout session (e.g., partnering, outreach, planning/ funding) and specific developed ommendations for actions that would lead to better regional coordination and communication on issues in those



NOAA's Gary Magnuson leads breakout group in finding regional coordination strategies

categories. Breakout group spokespersons presented each group's recommendations to all participants. Breakout group recommendations, summarized on the following page, provide



Craig Allen, Director of UW's Law and Marine Affairs Graduate Program, reports breakout group recommendations

both near term and longerterm strategies and mechanism that regional stakeholders can pursue to increase awareness, communication, coordination, and cooperation. Some actions are underway, some build upon existing partnerships and activities, and some are proposed initiatives that require new partnerships. Each of the proposed strategies is designed to address regional

issues and concerns but all require local, regional, and, in some cases, federal participation.

Closing Panel Reaffirms Value of Regional Dialog

After hearing breakout group presentations, a panel of public and private sector senior managers commented on the recommendations. *Dave Schneidler*, Chairman of the Puget Sound Marine Committee, was gratified to hear that Harbor Safety Committees should be involved with a broader range of maritime transportation issues. *Bob Bohlman*, of the Marine Exchange of Puget Sound reinforced the call for more

education to help get the MTS story across to the public and elected officials. *Mona King*, US Army Corps of Engineers, Seattle District, agreed that partnerships



Senior Management Panel Hears Regional Strategy Recommendations

are critical and acknowledged the need for a champion to lead the outreach effort. *Liz Wainwright*, Executive Director of the Merchants Exchange of Portland, liked the idea of gaining support for the MTS by going directly to governors through the US Secretary of Transportation and she sees leadership and public outreach as critical to MTS success. *CAPT John Veentjer*, Chief of the USCG's Marine Safety Division, expressed concern about the time and funds required to move the MTS initiative forward, agreeing that leadership is needed as well as a better understanding of what is already happening.

CAPT Sam DeBow, NOAA Office of Coast Survey, stressed outreach to consumers, noting that all that groups mentioned during the day's discussion is needed if legislatures are to be influenced to make investments needed to maintain and enhance the regional MTS.

RADM Brown says "It was Jazz!"

RADM Erroll Brown, USCG Thirteenth District Commander commended participants for all the work they have done and encouraged them to continue this cooperative relationship. He expressed his personal appreciation to NOAA, the Puget Sound Marine Committee, and the Merchants Exchange of Portland for hosting the event and voiced his willingness to support initiatives that come from this effort. RADM Brown closed by challenging participant not to think of the MTS as it is but as it could be. Harry Hutchins, a member of the National Association of Maritime Organizations' board, committed his personal attention to MTS and offered to help advance nationally the recommendations shared at the Seattle dialogue sessions.

Summary of Action Plans for Regional Coordination

High Priority Regional Coordination Need: Outreach			
Action	Who	When	Desired Outcome
Develop an MTS "outreach" packet – e.g., brochures, video – to be used by MTS stakeholders in explaining MTS to their "constituencies". Should have both regional and national focus	A regional coordinating body	ASAP	Explanation of MTS to key stakeholders
A MTS team of stakeholders to meet with editorial boards and local media to explain MTS and its regional ramifications	A regional coordinating body	ASAP	Explanation of MTS to the general public
High Priority Regional Coordination Need: Partnerships			
Action	Who	When	Desired Outcome
SECDOT sends letter to regional Governors seeking support for MTS and requests identification of a single point of contact; identify champion within the state to brief the Governor personally	SECDOT/ OST staff; regional DOT agencies	ASAP	Greater awareness of MTS among regional governors
BC/States Task Force approach USCG to establish formal partnership and develop subcommittees around specific regional concerns	Occurring currently	BC/States and USCG	Cooperative relationship built on existing activities
Hold/support regional forums to give visibility to "MTS At Work"			Provide greater awareness of interdependencies within the MTS
Identify organizations that exist to address regional issues in the short term		ASAP	Capture "low hanging fruit"
Borrow and implement ideas from the Canadian regional cooperation model		ASAP	Leverage successful partnership models
High Priority Regional Coordination Need: Planning/Funding			
Action	Who	When	Desired Outcome
Propose that the Pacific Northwest (OR/WA/ID/AK) be designated as a five year pilot project for regional MTS implementation (see components below)	District 13 (?), Regional MARAD, State DOTs	NLT 1/15/01	An authorization bill with 5 year funding component.

Propose Designation as a Regional Pilot Program

- A. Components all regionalized (ID, OR, WA, AK)
 - 1. Federal/state/local/private "Transportation System Coordinating Council"
 - 2. Regional "Environmental Planning and Coordination Council" (with same members)
- B. Concept Development
 - 1. Approach university in the region to outline governance and funding issues
 - 2. Bring in Pacific Northwest federal/state/local legislators and agency executives to enlist their support (PNWER?)
 - 3. Propose federal/state authorization bills and private grants to commit to an initial 5 year pilot project